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PERTINENT INFORMATION			
<p>13. Page 2.</p> <p>E. W. B. Milton, Head Sec. (Commercial) Madrid</p> <p>.....During late 1944 or early 1945, when subject was actively working in the field of economic warfare in Spain, he established contact with Johannes BERNHARDT, the top German economic expert in Spain and head of the Sofindus complex. BERNHARDT, sensing that the war was lost, made a deal with the British to provide information on hidden German assets, provided that he would not be tried as a war criminal after the war. David THOMPSON, then B.I.S. chief in Spain, began to work BERNHARDT through MILTON. Some of BERNHARDT's information was given by MILTON directly to the Allied Commission, but some was also transmitted through THOMPSON to London and passed by B.I.S. channels there to the Americans. Called to account on this, MILTON said that in certain aspects of the BERNHARDT operation, he was working for THOMPSON and not the ACC.</p> <p>When BERNHARDT's repatriation to Germany seemed imminent, the O.S.S. unit in Madrid received a communication in writing asking that a subterfuge be found to prevent the American Embassy from pressing such action, inasmuch as BERNHARDT was being used as an agent by British intelligence. At the present time, David THOMPSON is under and may be dealing directly with BERNHARDT; however, it is considered more likely that MILTON is still handling the operation.</p>			
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